

CHAPTER 510C

PHARMACY BENEFITS MANAGER REPORTING

Referred to in [§87.4](#), [296.7](#), [331.301](#), [364.4](#), [505.28](#), [505.29](#), [669.14](#), [670.7](#)

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510C.1 Definitions.

As used in [this chapter](#) unless the context otherwise requires:

1. “*Administrative fees*” means a fee or payment, other than a rebate, under a contract between a pharmacy benefits manager and a pharmaceutical drug manufacturer in connection with the pharmacy benefits manager’s management of a health carrier’s prescription drug benefit, that is paid by a pharmaceutical drug manufacturer to a pharmacy benefits manager or is retained by the pharmacy benefits manager.
2. “*Aggregate retained rebate percentage*” means the percentage of all rebates received by a pharmacy benefits manager that is not passed on to the pharmacy benefits manager’s health carrier clients.
3. “*Commissioner*” means the commissioner of insurance.
4. “*Covered person*” means the same as defined in [section 514J.102](#).
5. “*Formulary*” means a complete list of prescription drugs eligible for coverage under a health benefit plan.
6. “*Health benefit plan*” means the same as defined in [section 514J.102](#).
7. “*Health carrier*” means the same as defined in [section 514J.102](#).
8. “*Health carrier administrative service fee*” means a fee or payment under a contract between a pharmacy benefits manager and a health carrier in connection with the pharmacy benefits manager’s administration of the health carrier’s prescription drug benefit that is paid by a health carrier to a pharmacy benefits manager or is otherwise retained by a pharmacy benefits manager.
9. “*Pharmacy benefits manager*” means a person who, pursuant to a contract or other relationship with a health carrier, either directly or through an intermediary, manages a prescription drug benefit provided by the health carrier.
10. “*Prescription drug benefit*” means a health benefit plan providing for third-party payment or prepayment for prescription drugs.
11. “*Rebate*” means all discounts and other negotiated price concessions paid directly or indirectly by a pharmaceutical manufacturer or other entity, other than a covered person, in the prescription drug supply chain to a pharmacy benefits manager, and which may be based on any of the following:
 - a. A pharmaceutical manufacturer’s list price for a prescription drug.
 - b. Utilization.
 - c. To maintain a net price for a prescription drug for a specified period of time for the pharmacy benefits manager in the event the pharmaceutical manufacturer’s list price increases.
 - d. Reasonable estimates of the volume of a prescribed drug that will be dispensed by a pharmacy to covered persons.

[2019 Acts, ch 88, §1](#); [2020 Acts, ch 1063, §279 – 281](#)

510C.2 Annual report to the commissioner.

1. Each pharmacy benefits manager shall provide a report annually by February 15 to the commissioner that contains all of the following information regarding prescription drug benefits provided to covered persons of each health carrier with whom the pharmacy benefits manager has contracted during the prior calendar year:
 - a. The aggregate dollar amount of all rebates received by the pharmacy benefits manager.
 - b. The aggregate dollar amount of all administrative fees received by the pharmacy benefits manager.

c. The aggregate dollar amount of all health carrier administrative service fees received by the pharmacy benefits manager.

d. The aggregate dollar amount of all rebates received by the pharmacy benefits manager that the pharmacy benefits manager did not pass through to the health carrier.

e. The aggregate amount of all administrative fees received by the pharmacy benefits manager that the pharmacy benefits manager did not pass through to the health carrier.

f. The aggregate retained rebate percentage as calculated by dividing the dollar amount in paragraph “d” by the dollar amount in paragraph “a”.

g. Across all health carrier clients with whom the pharmacy benefits manager was contracted, the highest and the lowest aggregate retained rebate percentages.

2. a. A pharmacy benefits manager shall provide the information pursuant to [subsection 1](#) to the commissioner in a format approved by the commissioner that does not directly or indirectly disclose any of the following:

(1) The identity of a specific health carrier.

(2) The price charged by a specific pharmaceutical manufacturer for a specific prescription drug or for a class of prescription drugs.

(3) The amount of rebates provided for a specific prescription drug or class of prescription drugs.

b. Information provided under [this section](#) by a pharmacy benefits manager to the commissioner that may reveal the identity of a specific health carrier, the price charged by a specific pharmaceutical manufacturer for a specific prescription drug or class of prescription drugs, or the amount of rebates provided for a specific prescription drug or class of prescription drugs shall be considered a confidential record and be recognized and protected as a trade secret pursuant to [section 22.7, subsection 3](#).

3. The commissioner shall publish, within sixty calendar days of receipt, the nonconfidential information received by the commissioner on a publicly accessible internet site. The information shall be made available to the public in a format that complies with [subsection 2, paragraph “a”](#).

[2019 Acts, ch 88, §2; 2020 Acts, ch 1063, §282–284](#)

510C.3 Rules.

The commissioner of insurance shall adopt rules pursuant to [chapter 17A](#) as necessary to administer [this chapter](#).

[2019 Acts, ch 88, §3](#)

510C.4 Enforcement.

The commissioner may take any action within the commissioner’s authority to enforce compliance with [this chapter](#).

[2019 Acts, ch 88, §4](#)

510C.5 Applicability.

[This chapter](#) is applicable to a health benefit plan that is delivered, issued for delivery, continued, or renewed in this state on or after January 1, 2019.

[2019 Acts, ch 88, §5](#)